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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

PROSPECT MEDICAL HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-80002 (SGJ)

(Jointly Administered)

Rel. to Dkt. Nos. 1712, 1974, 1994, 1997,
2003, 2016, 2018, 2019, 2020, 2021, 2023

**DEBTORS' STATEMENT WITH RESPECT TO CLAIMS RESOLUTION
PROCEDURES MOTION**

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/Prospect>. The Debtors' mailing address is 3824 Hughes Ave., Culver City, CA 90232.

Prospect Medical Holdings, Inc. and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases, hereby submit this statement (this “Statement”) with respect to the *Debtors' Motion for Entry of an Order (I) Approving and Authorizing Mandatory Claims Resolution Procedures to Resolve Professional Liability and General Liability Claims; (II) Requiring the Debtors' Insurers to Satisfy Their Obligations Under the Applicable Policies; and (III) Granting Related Relief* [Docket No. 1712] (the “Claims Resolution Procedures Motion”):

STATEMENT

1. Contemporaneously with the filing of this Statement, the Debtors filed a revised proposed order on the Claims Resolution Procedures Motion [Docket No. 2025-1] (the “Revised Proposed Order”). The Revised Proposed Order addresses most of the issues raised in the PL/GL Claimant Objections,² and to the extent any objections remain, they should be overruled.

2. The Debtors recognize that both the availability of insurance and whether insurers and reinsurers are obligated to pay liabilities that the Debtors incur in excess of the self-insured retentions—as long as the SIRs are “allowed” claims against the Debtors—are key to successful implementation of the Claims Resolution Procedures. However, to accommodate fulsome notice to insurers and reinsurers and ensure that the Court can address the issues on the merits (rather than on non-substantive notice grounds), the Debtors are adjourning the portion of the Claims Resolution Procedures Motion seeking relief against insurers (other than CHIC, RRG, and the Pennsylvania MCare Fund) to the June 10, 2025 hearing. *See* Revised Proposed Order ¶ 29.

² The “PL/GL Claimant Objections” means (i) the *Objection of the Ad Hoc Committee of Medical Malpractice Claimants to Debtors' Motion for Entry of an Order (I) Approving and Authorizing Mandatory Claims Resolution Procedures to Resolve Professional Liability and General Liability Claims; (II) Requiring the Debtors' Insurers to Satisfy Their Obligations Under the Applicable Policies; and (III) Granting Related Relief* [Docket No. 2018], and similar objections or reservations of rights filed by PL/GL Claimants [Docket Nos. 1974, 2019, 2020, 2021].

3. The hearing on May 21, 2025 will instead be a status conference on these issues. The Debtors will seek the Court's guidance on the proper procedural vehicle for raising the insurance disputes in an expeditious manner.

4. Nonetheless, the Debtors believe that the Claims Resolution Procedures benefit the PL/GL Claimants as a whole by providing a centralized process to resolve and/or liquidate PL/GL Claims of all PL/GL Claimants, without any individual claimant jumping the line (which would violate the Bankruptcy Code's principles of equal treatment for similarly-situated creditors). Thus, the Debtors are going forward on the balance of the Claims Resolution Procedures Motion.

Dated: May 20, 2025
Dallas, Texas

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Certificate of Service

I certify that on May 20, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas.

/s/ Thomas R. Califano

Thomas R. Califano